

**AGREEMENT BETWEEN
THE CITY OF LINCOLN, NEBRASKA
AND
CORNHUSKER PLACE OF LINCOLN-LANCASTER COUNTY, INC.**

THIS AGREEMENT is entered into this ____ day of _____, 2006, by and between the City of Lincoln, Nebraska, a municipal corporation, hereinafter referred to as "City" and Cornhusker Place of Lincoln-Lancaster County, Inc., a Nebraska non-profit corporation, hereinafter referred to as "Contractor."

WHEREAS, the City proposes to engage Contractor in accordance with the terms and conditions set forth herein to provide protective custody service; and

WHEREAS, Contractor possesses certain skills, experience, facilities, and competency to perform these services, and the City desires to engage Contractor in a multi-year contract for such special services on the terms herein provided:

NOW, THEREFORE, IN CONSIDERATION of the mutual obligations of the parties hereto, the parties do agree as follows:

I. EMPLOYMENT OF CONTRACTOR

The City hereby agrees to engage Contractor, and Contractor agrees to provide services as defined in the Scope of Services section.

II. SCOPE OF SERVICES

1. To undertake, perform, and complete in an expeditious, satisfactory, and professional manner care related to keeping the safe custody of clients with alcohol and drug problems who have been admitted to civil protective custody, as well as all of the services related thereto. Further, such services will be performed in conformance with state statutes and the rules and regulations of the State Department of Health and Human Services, including but not limited to Neb. Rev. Stat. § 53-1,121, as such statutes and rules and regulations may from time to time be amended.

2. To provide a room for the Lincoln Police Department and any other law enforcement agencies as designated by the City of Lincoln to conduct chemical testing and provide secure storage space for testing equipment and supplies. The City of Lincoln will notify Contractor in writing of the other law enforcement agencies to be allowed use of this room. This room shall be the area in which the Contractor used to provide chemical testing services per previous contract with the City, Resolution No. 82358. The Contractor shall have access to this room, however, the Contractor will not use or allow anyone not associated with this Agreement to use or occupy the room during the term of this Agreement, this shall not include use by Contractor to access adjoining storage. The Contractor will give the Lincoln Police Department 48 hours notice before performing any painting, staining, sanding, or other similar activity within the room that Contractor is aware could affect the ambient air of the room. Access to this room shall be provided to the Lincoln Police Department and/or other law enforcement agencies as designated by the City of Lincoln, its officers, employees, agents or other designated representatives for the purpose of chemical testing 24 hours per day on each calendar day during the duration of this Agreement. The Contractor shall provide routine cleaning services and routine maintenance in the room. The City shall be financially responsible for damage to this room that is over and above the damage that would occur from the normal intended use of the room. Prior to the Contractor making such repairs, it should notify the City of Lincoln of the damage. The Contractor shall make such repairs and bill the City of Lincoln for the damages at the Contractor's costs.
3. To accept into Contractor's program/facility any person who has been issued a citation for DWI and/or any other related charges, whose needs do not exceed the capabilities of the Contractor.
4. To assist in the release, where it meets the criteria of the Contractor for release of any person who has been admitted for civil protective custody, to a responsible party. A responsible party shall be defined as a person 19 years of age or older, a person who is not under the influence of any mood altering chemical including alcohol, a licensed driver or one who is capable of and does make arrangements

for transportation, and a person who accepts responsibility for the person cited by signing the release and advisement form provided by Contractor; and

5. To contact the Lincoln Police Department if a person who has been released to Contractor's custody or care requests to be booked into jail for the purposes of bonding out as opposed to being released to a responsible party.

III. TERM OF AGREEMENT

The term of this Agreement shall be for a period of four years commencing on July 1, 2006 and expiring on June 30, 2010.

IV. COMPENSATION

1. The City agrees to pay \$258,000 for the first term, July 1, 2006-June 30, 2007. The compensation for each remaining year shall be adjusted each year on July 1 by the increase/decrease in the consumer price index, all items. The Consumer Price Index for All Urban Consumers (CPI-U) as published by the U.S. Department of Labor, Bureau of Labor Statistic shall be the index utilized. The percentage change for the most recent calendar year will be the period that is measured and this change applied on July 1. The CPI series to be utilized is series ID: CUUROOOOSAO.
2. The City will pay the Contractor in two equal installments each term year. The payments are due on or before July 31st and on or before January 31st of the term year.

V. CITY SURPLUS

The Contractor may be allowed to obtain City surplus equipment as it may from time to time become available on such terms and conditions as specified by the City.

VI. SERVICES TO BE CONFIDENTIAL

All services, including reports, opinions, and information to be furnished under this Agreement shall be considered confidential and shall not be divulged, in whole or in part, to any person other than to duly authorized representatives of the City, without the prior written

approval of the City. The City acknowledges that the Contractor is required to provide information to the State of Nebraska and Region V.

VII. TERMINATION OF AGREEMENT FOR CAUSE

The City may terminate this Agreement upon giving written notice to the Contractor of such termination because any of the following:

A. Failure to perform the required services in a satisfactory and timely manner.

B. Breach of any of the terms and conditions of this Agreement.

Termination rights under this section may be exercised only after the non-breaching party notifies the breaching party of the failure to perform in writing upon giving the other party fifteen (15) days written notice. In the event of termination as provided herein, Contractor shall be paid for all services satisfactorily performed up to the date of termination. The amount due shall be prorated for the months of services provided. Contractor shall promptly repay to the City any remaining portion of the pre-payment moneys on a pro rata basis.

VIII. TERMINATION OF CONVENIENCE

Either party has the right to terminate this Agreement for any reason including such party's convenience. If either party terminates this Agreement for convenience, such party shall provide 180 day written notice of the same to the other party. In the event of termination as provided herein, Contractor shall be paid for all services satisfactorily performed up to the date of termination. The amount due shall be prorated for the months of services provided. Contractor shall promptly repay to the City any remaining portion of the pre-payment moneys on a pro rata basis.

IX. ASSIGNABILITY

The Contractor shall not assign any interest in this Agreement, delegate any duties or work required under this Agreement, or transfer any interest in the same (whether by assignment or novation), without the prior written consent of the City thereto; provided,

however, that claims for money due or to become due to Contractor from City under this Agreement may be assigned without such approval, but notice of any such assignment shall be furnished promptly to the City.

X. INTEREST OF CONTRACTOR

Contractor covenants that it presently has no interest, including but not limited to, other projects or independent contracts, and shall not acquire any such interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. Contractor further covenants that in the performance of this Agreement no person having any such interest shall be employed or retained by it under this Agreement. The City understands that Contractor has or may have a contract(s) with Region V for beds and/or services.

XI. INSURANCE

In this connection with this Agreement, Contractor shall carry insurance in the following kinds and minimum limits as indicated:

- A. General Liability Insurance shall be maintain during the life of this contract, naming and protecting Contractor and the City of Lincoln as an additional insured, against claims for damages resulting from (a) all acts or omissions, (b) bodily injury, including wrongful death, (c) personal injury liability, and (d) property damage which may arise from operations under this Agreement by Contractor. The minimum acceptable limits of liability to be provided by such insurance shall be as follows:
 - 1. All acts or omission- \$1,000,000 each Occurrence; \$2,000,000 Aggregate; and
 - 2. Bodily Injury/Property Damage - \$1,000,000 each Occurrence; \$2,000,000 Aggregate; and
 - 3. Personal Injury Damage - \$1,000,000 each Occurrence; and
 - 4. Contractual Liability - \$1,000,000 each Occurrence.
- B. During the term of this Agreement, Contractor shall maintain as its own expense the following professional liability insurance for Contractor.

1. Professional liability insurance or self insurance coverage in the amount of \$1,000,000 per occurrence and \$3,000,000 in the annual aggregate for alleged malpractice, professional negligence, failure to provide care, breach of contract or other claim based upon failure to obtain informed consent for treatment; or
 2. Professional liability may be a claims made policy, however, the Contractor must continue to maintain professional liability insurance for this Agreement's required dollar amount for at least a period of two (2) years after the expiration or termination of this Agreement. To satisfy this obligation, the Contractor may provide the required insurance in the form tail coverage. The Contractor shall provide proof of continued coverage upon request. This subsection survives any termination or expiration of this Agreement.
- C. The following shall be provided and attached to this Agreement by the Contractor:
1. Contractor shall provide a certificate of insurance to City of Lincoln as evidence that professional liability insurance is in force;
 2. Contractor's shall provide a certificate of insurance for its General Liability Insurance and naming the City of Lincoln as an additional insured;
 3. Proof of Workers' Compensation Insurance, where appropriate.

XII. HOLD HARMLESS

To the fullest extent permitted by law, the Contractor shall indemnify defend and hold harmless the City its officers, agents and employees from and against claims, damages, losses and expenses, including but not limited to attorney's fees, arising out of or resulting from performance of this Agreement, that results in any claim for damage whatsoever, including without limitation, any bodily injury, sickness, disease, death, or any injury to or destruction of tangible or intangible property, including any loss of use resulting therefrom, and that are caused in whole or in part by the intentional or negligent act or omission of the Contractor or anyone for whose acts it may be liable. This section shall not require the Contractor to indemnify or Hold Harmless the City for any losses, claims, damages, and expenses arising out of or resulting from the negligence of the City.

To the fullest extent permitted by law, the City shall indemnify defend and hold harmless the Contractor its officers, agents and employees from and against claims, damages, losses and expenses, including but not limited to attorney's fees, arising out of or resulting from performance of this Agreement, that results in any claim for damage whatsoever, including without limitation, any bodily injury, sickness, disease, death, or any injury to or destruction of tangible or intangible property, including any loss of use resulting therefrom, and that are caused in whole or in part by the intentional or negligent act or omission of the City or anyone for whose acts it may be liable. This section shall not require the City to indemnify or Hold Harmless the Contractor for any losses, claims, damages, and expenses arising out of or resulting from the negligence of the Contractor.

The City does not waive its governmental immunity by entering into this Agreement and fully retains all immunities and defenses provided by law with regard to any action based on this Agreement. This section survives any termination of this Agreement.

XIII. NOTICE

Any notice or notices required or permitted to be given pursuant to this Agreement may be personally served on the other party by the party giving such notice, or may be served by certified mail, postage prepaid, return receipt requested, to the following addresses:

City
Finance Department
Attn: Steve Hubka
555 South 10th Street
Lincoln, NE 68508

Contractor
Director
721 "K" Street
Lincoln, NE 68508

XIV. INDEPENDENT CONTRACTOR

It is agreed that City is interested only in the results obtained and that the Contractor shall perform as an independent contractor. Contractor is, for all purposes arising out of this Agreement, an independent contractor, and it shall not be deemed an employee of the City. It is expressly understood and agreed that Contractor shall in no event be entitled to any benefits to which City employees are entitled, including, but not limited to, overtime, any retirement benefits, workmen's compensation benefits, and injury leave or other leave benefits.

XV. LIVING WAGE

If applicable, the Contractor agrees to pay all employees, as defined by ordinance, employed in the performance of this Agreement, a base wage of not less than the City Living Wage per Section 2.81.010 of the Lincoln Municipal Code. This wage is subject to change every July.

XVI. EQUAL EMPLOYMENT

Contractor agrees in connection with the performance of this Agreement that Contractor shall fully comply with the requirements of Title 11 of the Lincoln Municipal Code, and Nebraska Revised Statutes Section 48-1122, and shall not discriminate against any employee, or applicant for employment because of race, color, religion, sex, disability, national origin, age, or marital status. In the employment of persons, Contractor shall fully comply with all provisions of applicable federal, state, and local law and shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, sex, disability, national origin, age, or marital status.

XVII. FAIR LABOR STANDARDS

The Contractor shall maintain Fair Labor Standards in the performance of this Agreement, as required by Chapter 73, Nebraska Reissue Revised Statutes, as amended.

XVIII. NEBRASKA LAW

This Agreement shall be governed and interpreted by the Laws of the State of Nebraska without reference to the principles of conflicts of law.

XIX. INTEGRATION, AMENDMENTS, ASSIGNMENT

This Agreement represents the entire agreement between the parties and all prior negotiations and representations are hereby expressly excluded from this Agreement. This Agreement may be amended only by written agreement of both parties. This Agreement may not be assigned without the prior written consent of the other party.

XX. SEVERABILITY & SAVINGS CLAUSE

Each section and each subdivision of a section of this Agreement is hereby declared to be independent of every other section or subdivision of a section so far as inducement for the acceptance of this Agreement and invalidity of any section or subdivision of a section of this Agreement shall not invalidate any other section or subdivision of a section thereof.

XXI. CAPACITY

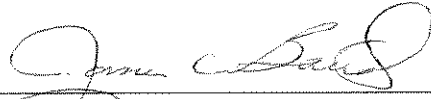
The undersigned person representing the Contractor does hereby agree and represent that he or she is legally capable to sign this Agreement and to lawfully bind the Contractor to this Agreement.

IN WITNESS WHEREOF, the City and Contractor have executed this Agreement as of the date first written above.

CITY OF LINCOLN, NEBRASKA,
A Municipal Corporation

Coleen J. Seng, Mayor

**CORNHUSKER PLACE OF LINCOLN-
LANCASTER COUNTY, INC.,**
A Nebraska Non-profit Corporation



Title Executive Director



MAYOR COLEEN J. SENG
www.ci.lincoln.ne.us

Lincoln Police Department
Thomas K. Casady, Chief of Police
575 South Tenth Street
Lincoln, NE 68508
(402) 441-7237



June 27, 2006

City Council of Lincoln, Nebraska
555 S 10th Street
Lincoln, NE 68508

City Council Members:

I know that you are considering the contract with Cornhusker Place, Incorporated. Since the police department is the number one source of referrals to Cornhusker Place, we are particularly concerned. The police department depends on Cornhusker Place.

Every year, we encounter thousands of people who are incapacitated by alcohol and other drugs, and who simply cannot be left on the street or in their current. Often, options such as taking these people home are simply not feasible: we cannot subject the City or the department to the liability should the individual experience a medical or behavior problem. We also depend on Cornhusker Place as a placement for people who are mentally ill, but are also intoxicated. These persons cannot be placed at the Mental Health Crisis Center. Cornhusker Place also handles the majority of the 1600 DWI arrests we make every year—a far less expensive alternative than the County Jail.

If Cornhusker Place did not exist, our alternatives would be few: many drunks would be left in doorways and alleys, we would be sued more often for failure to protect, we would have more work dealing with the chronic homeless or near homeless alcoholics and their behavior—especially in the downtown area. We would be forced to arrest and jail many intoxicated people who had committed minor offenses such as drinking in public or littering as an expedient for getting the person off the street—at a much higher cost.

Finally, Cornhusker Place is really one of the only organizations that works intensively with the indigent and chronic long-term alcoholics in the community. Some of these individuals really do get better, and for some, the revolving door actually stops rotating, at a huge monetary and human savings.

Cornhusker Place is a well-run organization providing critical community services. We need them, and we hope you find a way to continue their services to the City of Lincoln.

Thomas K. Casady
Chief of Police

CORNHUSKER PLACE
OF LINCOLN-LANCASTER COUNTY, INC.

A BEACON OF HOPE

721 "K" STREET
LINCOLN, NE 68508
402-477-3951
FAX: 402-477-3922
TDD: 402-477-9117

June 29, 2006

City Council
City of Lincoln
555 South 10th
Lincoln, NE 68508

Re: Cornhusker Place Contract for Civil Protective Custody (CPC)

Dear City Council Members:

Cornhusker Place has been providing CPC services to the Lincoln community for 23 years. The proposed contract with the City of Lincoln would extend the provision of services for an additional four years. The Cornhusker Place Board of Directors supports the new multi year contract which includes an increase in fees. This new contract also includes space for Lincoln Police Department Officers to conduct testing for those arrested for Driving While Intoxicated (DWI) and allows admission, after testing, into our CPC program.

The current funding for the Civil Protective Custody contract is set at \$150,000 based upon 4,600 admissions with an additional payment of \$5 per admission above 4,600. This funding was put in place in 1997 and has not been adjusted since then. Cornhusker Place receives an additional \$81,754 from Region V Systems for Civil Protective Custody services. These funds are part of the Region V County's contribution to the local match required for Federal and State behavioral health funding. Client fees in the amount of \$30-40,000 are also received annually. The majority of admissions into CPC are low income with little or no insurance resulting in Cornhusker Place having little ability to pass on the costs for services.

This new contract increases the amount of funding in year one to \$258,000. The increase in funding is necessitated by the following factors:

1. Contract funding for CPC has not been increased since 1997.

The funding for CPC put in place in 1997 has not been adjusted to reflect increases in the cost of living, or rising health care, energy and insurance costs that Cornhusker Place has experienced over the last nine year.

2. Capacity for admissions has increased.

In 1997, Cornhusker Place had capacity for 8 men and 5 women in Civil Protective Custody. The old facility was in need of renovation and did not have the capability to handle the increase in juveniles and women. Cornhusker Place has renovated the CPC area to allow an increase in capacity. It was originally anticipated capacity could be increased without increasing staff. However, experience has shown our clients need more care for physical and mental health issues which require additional staff to meet their growing needs. Since April 2005 Cornhusker Place has been operating at a capacity of 17 (4-5 bed rooms) and 4 individual rooms. Since July 2005, Cornhusker Place has had to close its doors 154 times due to full capacity. The new contract will allow an increase in capacity to 21 with 4 individual rooms. The plan is to dedicate one room for those under the age of 19. For this current fiscal year we are projecting 5,200 admissions into CPC. The increase in capacity requires an increase in staff and a change in a job description.

3. Increased physical and mental health needs of the clients.

In 1997 the majority of the clients admitted by law enforcement into Cornhusker Place's CPC were under the influence of alcohol. The clients of today use meth, crack, heroin, and other illegal drugs combined with prescription drugs and alcohol. We also see more clients with varying degrees of mental health issues. It was rare to have a woman in CPC and even rarer to have a juvenile. Today, women make up approximately 18% of total admissions, students comprise 15%, and 7% of total admissions are under 21. Since July 2005, Cornhusker Place has admitted one fourteen year old and two fifteen year old juveniles. Capacity limits have greatly reduced the available of space for juveniles. The client of today demands more observation and monitoring by our admission staff, nurses and counselors. This was the reason we could not go above 17 clients after our renovation.

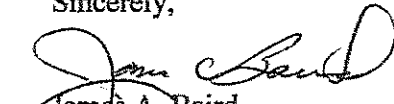
4. Need to maintain wage scales based upon experience, education, training and licensing.

Comparability is a word that has been on the front page of our newspapers. While non profit organizations are not directly affected by this, we do compete in the work force for quality employees. Cornhusker Place needs nurses and licensed counselors in addition to quality employees. We have a difficult time hiring nurses and counselors as we cannot compete with other businesses. In 1997, Cornhusker Place was paying admission staff less than \$6.00 per hour, LPN's less than \$10.00 per hour and RN's about \$12.00 per hour. We have tried to increase these wages since 1997. However because our funding is dependent on City, State and Federal funds, we have not kept up to the living wage scale determined by City Ordinance. For this fiscal year, it will require full time employees to be paid a minimum of \$9.62 per hours with benefits. This also affects other wage scales in Cornhusker Place as each level was determined by the need for experience, education, training and licensing.

- 5. Space for DWI Testing.** *Under the new contract Cornhusker Place is providing and maintaining a room for the Lincoln Police Department Officers to conduct testing for those arrested for DWI.*

Cornhusker Place has continued its commitment to our community. As the needs of our clients continue to increase, we must make adjustments to meet those needs. The Board of Directors believes the new contract will allow our agency to continue meeting those needs.

Sincerely,



James A. Baird
Executive Director